

Message Text

LIMITED OFFICIAL USE

PAGE 01 MEXICO 05688 020126Z

73

ACTION EB-11

INFO OCT-01 ARA-16 EUR-25 ADP-00 AID-20 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 OMB-01 AGR-20 TAR-02 PA-03

PRS-01 USIA-15 IO-13 L-03 NSC-10 SS-15 STR-08 CEA-02

RSR-01 /208 W

----- 115139

R 020024Z AUG 73

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 7264

INFO AMEMBASSY BOGOTA

AMEMBASSY BRASILIA

AMEMBASSY GUATEMALA

AMEMBASSY LIMA

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY QUITO

AMEMBASSY RIO DE JANEIRO

AMEMBASSY SAN JOSE

AMEMBASSY SANTO DOMINGO

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

LIMITED OFFICIAL USE MEXICO 5688

EO 11652: N/A

TAGS: EAGR, MX

SUBJ: DISHARMONY AMONG COFFEE EXPORTING NATIONS

REF: 1. STATE 121578; 2. LONDON 2511; 3. MEXICO 4569;
4. RIO DE JANEIRO 2683

1. BEGIN UNCLASSIFIED. MAJOR MEXICAN DAILIES CARRIED
ARTICLES DURING WEEK OF JULY 23-27 ON STATEMENTS BY MEXICAN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MEXICO 05688 020126Z

COFFEE INSTITUTE PRESIDENT, FAUSTO CANTU PENA AND BRASILIAN

COFFEE INSTITUTE'S DIRECTOR OF MARKETING, CARLOS ALBERTO ANDRADE VILLACAVA. STATEMENTS REPORTED MEXICAN DAILIES IN CLOSE ACCORD WITH BRASILIAN REPORTS (REF 4. PARA 1-2). FOLLOWING THE APPEARANCE IN THE PRESS JULY 27 OF DR. CARLOS VILLACAVA'S ANGRY RESPONSE TO MR. CANTU'S STATEMENTS IN WHICH HE SAID MR. CANTU'S REMARKS WERE "INSENSATE" AND INDICATED THAT THE MEXICAN OFFICIAL MUST BE SUFFERING FROM "SOME KIND OF MENTAL DISTURBANCE", A SPOKESMAN FOR THE MEXICAN COFFEE INSTITUTE INDICATED THAT DR. VILLACAVA'S RESPONSE WAS "SUBJECTIVE AND BASED ON INSUFFICIENT INFORMATION". HE ADDED THAT MEXICO WILL NEVER FAVOR INTERNATIONAL SPECULATION IN COFFEE AND THAT EFFECTIVE MEASURES WILL BE TAKEN TO OBTAIN THE UNION OF ALL PRODUCING COUNTRIES DURING THE MEETING OF COFFEE EXPORTING COUNTRIES IN LONDON TO BE HELD IN AUGUST. AN ARTICLE APPEARING IN MEXICAN DAILY AUGUST 1 QUOTED THE NATIONAL CHAMBER OF COFFEE PRODUCERS IN EL SALVADOR AS SAYING MR. CANTU'S STATEMENTS WERE INEXPLICABLE, INJURIOUS TO THE COFFEE PRODUCING NATIONS, AND REPRESENTED THE REPEATED ATTITUDE OF MEXICAN AUTHORITIES ON COFFEE MATTERS. THE SAME ARTICLE QUOTED A SPOKESMAN FOR COSTA RICAN COFFEE PRODUCERS AS SAYING CANTU'S STATEMENTS WERE INEXPLICABLE, THAT IT APPEARED THAT ON SEVERAL OCCASIONS IN RECENT MONTHS IT HAS APPEARED THAT MEXICO WAS ALLYING ITSELF WITH CONSUMING COUNTRIES TO THE DETRIMENT OF WORLD COFFEE PRICES. HE ADDED THAT MR. CANTU'S STATEMENTS WERE APPARENTLY MOTIVATED BY DOMESTIC POLITICS RATHER THAN INTERNATIONAL COFFEE CONSIDERATIONS.

2. MR. CANTU'S STATEMENTS THAT MEXICO "CANNOT SUBSIDIZE WITH ITS PRODUCTION THE LARGE LANDOWNERS OF BRASIL, THE OLIGARCHS OF EL SALVADOR OR THE COLONIALISTS OF PORTUGAL" WAS MADE DURING A SPEECH JULY 23 IN PUEBLA IN WHICH HE ANNOUNCED THE "PUEBLA PLAN" FOR INCREASING COFFEE PRODUCTION THROUGH INCREASED CREDITS TO THE 10,000 PRODUCERS IN PUEBLA AND THE ESTABLISHMENT OF 16 NEW PURCHASING CENTERS TO PUT COMPETITIVE PRESSURE ON PRIVATE INTERMEDIARIES TO KEEP PRODUCER PRICES UP. IN ATTENDANCE WERE THE MEXICAN DIRECTOR GENERAL OF AGRICULTURE, NICOLAS SANCHEZ DURON, THE GUILLERMO MORALES BLUMENKRON, THE GOVERNOR OF PUEBLA.

3. FREE TRANSLATIONS OF SEVERAL RECENT PRESS ARTICLES RELATING LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MEXICO 05688 020126Z

TO THE CANTU-VILLACAVA EXCHANGE AND MR. CANTU'S ANNOUNCEMENT OF THE "PUEBLA PLAN" FOR IMPROVING GROWER RETURNS AND INCREASING PRODUCTION, WILL FOLLOW IN SEPARATE AIRGRAM. END UNCLASSIFIED.

4. BEGIN LIMITED OFFICIAL USE. COMMENT: WHILE CANTU'S STATEMENTS REGARDING BRAZIL, EL SALVADOR, AND PORTUGAL MAY HAVE SERVED HIS DOMESTIC PURPOSE WELL, IT IS BELIEVED THAT

THEY WERE ALSO INTENDED TO SERVE NOTICE TO THE OTHER COFFEE EXPORTING COUNTRIES THAT MEXICO INTENDS TO WORK FOR A LARGER SHARE OF THE WORLD MARKET. MEXICO HAS APPARENTLY BEEN SUCCESSFUL IN THE RECENT PAST IN IMPROVING ITS SHARE OF THE QUOTA FOR THE REMAINDER OF 1972-73 COFFEE YEAR AND FOR 1973-74 (REF 3). REPORTEDLY, THE GROUP AGREED DURING THE JUNE 20-23 MEETINGS IN MEXICO CITY TO ALLOW MEXICO TO EXPORT AN ADDITIONAL 300 THOUSAND BAGS IN CURRENT YEAR AND 900 THOUSAND ADDITIONAL IN 1973-74. IT IS BELIEVED THAT CANTU WOULD LIKE SOLIDIFY HIS POSITION AND PUSH FOR GREATER MEXICAN SHARE OVER THE LONG TERM.

MCBRIDE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 02 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973MEXICO05688
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: MEXICO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730862/aaaabtsq.tel
Line Count: 127
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 73 1. STATE 121578; 2. LONDON 2511;; 3. MEXICO 4569;
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 20 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20-Sep-2001 by rowellE0>; APPROVED <28-Nov-2001 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DISHARMONY AMONG COFFEE EXPORTING NATIONS
TAGS: EAGR, MX
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005